

This space is for your message and/or logo.

2008 INCOME TAX RETURN

SELF		SPOUSE	
Name	_____	Name	_____
Occupation	_____	Occupation	_____
SSN	_____	SSN	_____
Date of Birth	_____	Date of Birth	_____
Home Phone	_____	Home Phone	_____
Disabled	<input type="checkbox"/>	Disabled	<input type="checkbox"/>
Work Phone	_____	Work Phone	_____
Blind	<input type="checkbox"/>	Blind	<input type="checkbox"/>
Cell Phone	_____	Cell Phone	_____
Best Time to Call	_____	Best Time to Call	_____
Email	_____	Email	_____
Fax	_____	Fax	_____
Present Address	_____	Zip Code	_____
	_____	County	_____
Address on Last Year's Tax Return (if different)	_____	Date Address Changed	_____

Personal Income Tax Organizer and Deduction Finder[®]

✓ CHECKLIST

Items Your Tax Preparer Will Need

- 1) Your completed *Personal Income Tax Organizer and Deduction Finder*[®].
- 2) All Forms W-2 (wages) and all Forms 1099 and 1098 (1099-INT for interest, 1099-DIV for dividends, 1099-B for sale of securities, 1099-R for annuities, pensions and IRA/Keogh or other retirement plan withdrawals, 1099-G for state tax refund, SSA-1099 for Social Security, 1099-G for unemployment compensation and 1099-MISC for commissions and fees, etc.). *Include all copies.*
- 3) Copies of Schedules K-1 for partnerships, joint ventures, S corporations, estates or trusts. (See note below.)
- 4) If you sold real estate, stock or a mutual fund during the year, see STEP 4.
- 5) If you acquired or refinanced a home or other property this year, bring in a copy of your closing statement.
- 6) If you are a new client, provide copies of tax returns for 2005, 2006 and 2007.

Note: You do not need item #3 above in order to make your tax appointment.
You can provide these documents to us at a later date.

STEP 1

Filing Status: Single Married Filing Joint Qualifying Widow(er)¹ Head of Household² Married Filing Separate

In year 2008 only: Married (date: _____) Divorced (date: _____) Spouse Died (date: _____)

Dependents

Dependents	1	Birthdate	SSN
Children living with you age 18 or younger, (age 19 – 23 if attending school full time for at least five months during the year) who did not provide more than half of their own support or a permanently and totally disabled child.	2	Birthdate	SSN
	3	Birthdate	SSN
	4	Birthdate	SSN

Other Dependents

(relatives and/or members of household)

Relationship	Birthdate	Social Security #	2008 Gross Income	# Months Resided in Your Home in 2008	% Support Rcvd From You

Check if you are a noncustodial parent claiming an exemption(s) for your child(ren) because the custodial parent released the exemption to you. (Provide Form 8332 signed by the custodial parent.)

Check if any of your dependent children have unearned income over \$900. Unearned income consists of interest, dividends, capital gains, etc.

¹ All of the following must apply: your spouse died in 2006 or 2007; in that year you qualified to file jointly; you did not remarry before January 1, 2009 and you paid over half the cost of maintaining your home, which was your dependent child's (or stepchild's) main home for the entire year.

² Must be unmarried (or considered unmarried) at the end of the tax year, and maintain a home that for more than half of the tax year is the principal home of a qualifying child. You may be considered unmarried if your spouse did not live in your home during the last six months of the tax year. If maintaining the household of a parent, the parent does not need to live with you to qualify.

STEP 2

The following items may affect your tax return. Please answer carefully.

YES NO

1. Did you pay or receive (circle one) alimony during 2008? Do not include child support.
To/From: Name _____ Social Security Number _____ Amount \$ _____
2. Do you own any securities or hold any debts that became worthless during the year? If yes, provide details.
3. Were any stock options granted to you by your employer, or did you exercise any stock options in 2008? If yes, provide details.
4. Are you a National Guard member or an Armed Forces reservist and travel more than 100 miles and stay overnight to fulfill duty? If yes, provide details.
5. Did you move in 2008 because of a job change? Provide details for a possible moving expense deduction.
6. If you (or your spouse) are age 70½ or older, are you taking required minimum retirement distributions from qualified retirement plans and IRAs?
7. Did you (or do you plan to before April 15, 2009) contribute to a traditional IRA or Roth IRA for 2008? (Circle one.)
Self \$ _____ Spouse \$ _____
8. Are you interested in making additional contributions to a retirement plan? (See Tax Tips 3, 4 and 5.)
9. Are you a teacher and if so, did you incur out-of-pocket classroom costs in 2008? Amount \$ _____
10. Did you pay child care costs for a dependent child under age 13, or costs of caring for a handicapped individual, so you could work, attend school or look for a job? If yes, provide the amounts paid for each dependent and the names, addresses and taxpayer identification numbers of the care providers. Also, show how much, if any, was reimbursed by an employer dependent care plan: \$ _____ (See Tax Tip 13.)
11. Did you incur any expenses in 2008 associated with the adoption of a child? If yes, provide details.
12. Did you purchase a new hybrid or advanced lean-burn vehicle in 2008? If yes, provide make, model and date of purchase. (See Tax Tip 16.)
13. Did you receive any tips during the year? If yes, were all tips reported to your employer? Yes No (See Tax Tip 11.)
14. Did you pay any individual \$1,600 or more to perform household services during the year, such as babysitting, cleaning, cooking or gardening?
15. Did you refinance your home mortgage during 2008? Provide closing papers.
16. Did you have any out-of-pocket expenses associated with your job? Provide amounts and details. For employment-related travel or transportation expenses, complete STEP 8. **Note:** Traveling to and from work is nondeductible commuting.
17. Do you have income from a foreign investment, such as interest from a foreign bank account or pay any foreign taxes? If yes, provide details.
18. Did you have an interest in or a signature or other authority over a foreign financial account (including a trust)?
19. During 2008, were there any changes to federal or state returns filed in prior years? If yes, provide copies of the changes or correspondence received by either of these authorities.
20. Was any debt on your principal residence reduced or forgiven in 2008? If yes, provide details. (See Tax Tip 17.)
21. Do you and/or your spouse want to designate \$3 to the Presidential Election Campaign Fund? (Does not change amount due or refund.)
22. Do you want to allow your preparer or another individual to discuss your federal return with the IRS? Provide name/phone of individual if not preparer.
23. Did you receive an Economic Stimulus payment in 2008? Amount \$ _____. (Attach IRS Notice 1378 showing the amount of your payment.)
24. Did you (or your spouse) make gifts totaling more than \$12,000 to any individual during the year? If so, provide details (gift, recipient's name, address and relationship to you).
25. Did you provide rent-free housing for a displaced person from the Midwestern Disaster area for at least 60 consecutive days? If "yes," how many displaced persons did you house? _____

STEP 3	Income (Round all figures to nearest dollar)		STEP 5	Self-Employed Income (See STEPs 7 – 8)		
Wages—Provide ALL Copies of Forms W-2			Business Activity/Product _____			
Number of Employers (W-2s) for: Self _____ Spouse _____			Business Name _____			
Note: Number of forms only. Do not enter amounts.			Gross Receipts (Provide all Forms 1099.) \$ _____			
Dividend and Interest Income			Inventory—Beginning of Year _____			
Provide all Forms 1099-INT, 1099-DIV and 1099-OID. If you list interest and dividends on a separate sheet, do not duplicate what's reported on the 1099s.			Merchandise Purchases (less Product for Personal Use) _____			
Installment Sale Payments Received			Labor, Materials and Other Costs of Inventory _____			
Interest Portion = \$ _____ Principal Portion = \$ _____			Inventory—End of Year _____			
Is payer a relative or related party? <input type="checkbox"/> Yes <input type="checkbox"/> No			STEP 6 Rental Income (Tax Tip 15)			
If payer uses property as a principal residence, provide payer's: Name _____ Address _____ Social Security Number _____			Property Address: (attach separate sheets if necessary) _____			
Retirement Plan Distributions— Pensions, Annuities, Rollovers, IRA, SEP, SIMPLE-IRA, Keoghs, Lump-Sum Distributions or Other Retirement Plan Withdrawals			Rents Received \$ _____ (List security deposits separately.)			
Provide copies of all Forms 1099-R received for retirement plan distributions. Provide details of any distributions that were rolled over to another plan or to a charity.			Number of days rented _____ Number of personal-use days _____			
Partnerships, Estates, Trusts and S Corporations			STEP 7 Self-Employed, Rental and Business Use of Home Expenses			
Provide all Schedules K-1 received for the tax year.			<i>For business asset purchases or sales, provide a separate schedule listing dates (of purchase or sale), purchase/sales price and description of property. Include copies of sales receipts or contracts if available. Do not duplicate in expenses below.</i>			
Social Security or Railroad Retirement Benefits			Do you qualify for business use of home? <input type="checkbox"/> Yes <input type="checkbox"/> No (See Employee/Self-Employed Tax Tip B on next page.)			
Provide Forms SSA-1099 or RRB-1099.			If yes, business use area (sq. ft.) _____ Total area of home (sq. ft.) _____			
Other Income—Provide all Forms 1099, etc.			Use Correct Column			
Bartering Income		\$ _____	Advertising	Self-Employed \$ _____	Business Use of Home (100%) XXXXX	Rental \$ _____
Bonuses and Prizes not reported on Form W-2 (Explain)			Association Dues			
Cancellation of Debt (Form 1099-A or 1099-C)			Auto, Travel, Meals and Entertainment	-----See STEP 8-----		
Commissions and Fees (Not reported in STEP 5)			Bank Charges		XXXXX	
Disability Income not included on Form W-2 (taxable)			Business Phone/Long Distance Calls		XXXXX	
Education Savings Account or 529 Plan Withdrawals (Form 1099-Q)			Commissions and Fees Paid		XXXXX	
Farm Income (List income and expenses on separate sheet.)			Contract Labor		XXXXX	
Federal Income Tax Refund (for state tax purposes)			Employee Benefit Programs		XXXXX	
Gambling/Lottery Winnings Jury Duty—Election Board Fees			General Office Supplies & Expenses		XXXXX	
Health or Medical Savings Account Withdrawals (Form 1099-SA)			Insurance (not including health)			
Jury Duty—Election Board Fees			Interest • Mortgage (Form 1098)			
Scholarships (Form 1098-T)			• Other Interest		XXXXX	
State Income Tax Refund (Form 1099-G)			Legal and Other Professional Fees		XXXXX	
Tips and Gratuities not reported on Form W-2 (Tax Tip 11)			Management Fees/Caretaker			
Unemployment Compensation (Form 1099-G)			Pension/Profit-Sharing Plan Contributions Made for Employees		XXXXX	
Veterans' Pension and Disability			Postage and Freight		XXXXX	
Workers' Compensation or SDI			Professional Dues and Publications		XXXXX	
Other (Attach separate sheets if necessary.)			Rent Paid • Vehicles, Machinery and Equipment			
STEP 4 Asset Sales and Exchanges			• Other Business Property			
Provide the following information about sales of stock, mutual funds, real estate (including personal residence) or other property along with Forms 1099-B, 1099-S, closing statement or other supporting information. Attach separate sheet if necessary.			Repairs & Maintenance			
	Asset #1	Asset #2	Supplies (including small hand tools)			
Description of Property			Taxes • Real Estate			
Date Acquired			• Other			
Date Sold			Utilities: Electric _____ Heat _____			
Sales Price	\$ _____	\$ _____	Water, Sewer, Trash _____			
Basis (including Improvements)			Other _____ Total: _____			
Expenses of Sale			Wages Paid			
			Other Expenses (provide list)			

STEP 8		Employee and Self-Employed			Vehicle Expense		
Travel and Entertainment Expenses					<ul style="list-style-type: none"> • Travel expenses between home and a temporary work location <i>within</i> your metropolitan area are not deductible unless one of two tests are met: <ol style="list-style-type: none"> 1) You have one or more regular work locations away from your home or 2) You qualify for a business use of home deduction. • A work location is considered temporary if employment is expected to last and actually does last for one year or less. Commuting expenses for going between the taxpayer's home and a temporary work location <i>outside</i> the metropolitan area where the taxpayer lives and normally works are deductible. • There are two methods to determine the deduction for automobiles and trucks used for business: (1) actual expenses or (2) standard mileage rate of 50.5¢ from 01/01/08 – 06/30/08 and 58.5¢ from 07/01/08 – 12/31/08 per mile. You may claim the standard mileage method whether you own or lease your vehicle. • For each vehicle used for business, complete lines 1 – 6. If you use standard mileage allowance, ignore lines 8 – 14. If you purchased a vehicle this year and <i>do not</i> use standard mileage allowance, provide a copy of the sales invoice. 		
<i>Travel expenses are deductible if you traveled away from home overnight on business. List on a separate sheet business entertainment expenses (including meals) you paid for when not traveling. Include date, persons present and business purpose.</i>							
Use Correct Column	Employee	Self-Employed	Rental Activity				
Travel:							
Airplane, Train, Taxi, Auto Rental, Tips	\$	\$	\$				
Meals							
Lodging							
Telephone							
Cleaning and Laundry							
Baggage and Shipping							
Other							
Entertainment (total)					Vehicle	#1	#2
Reimbursements					1) Total miles driven this year		
1) Were you reimbursed for any of the above expenses? <input type="checkbox"/> Yes <input type="checkbox"/> No					2) Mileage breakdown of (1) above:	Business	
2) If yes, provide details, including how reported on Form W-2.						Commuting	
Adjustments for the Self-Employed						Personal	
Insurance premiums paid: Health \$ _____ Long-Term Care \$ _____ <i>Do not include if self-employed person is eligible to participate under any employer's plan. Report in STEP 14 instead. See E below.</i>					3) Vehicle Description		
Contributions made to a Health Savings Account \$ _____ <i>Do not include transfers to the HSA from a flexible spending account or IRA.</i>					4) Date Vehicle was First Used for Business		
Are you covered only by a high deductible health plan (HDHP)? <input type="checkbox"/> Yes <input type="checkbox"/> No					5) Cost Basis =	\$	\$
If "yes", check the type of HDHP coverage <input type="checkbox"/> Self-only <input type="checkbox"/> Family					Less Trade-In =	<	> <
Are you enrolled in Medicare? <input type="checkbox"/> Yes <input type="checkbox"/> No					Net Price =		
Contributions made to SEP, SIMPLE or qualified retirement plan \$ _____					Plus Sales Tax=		
Employee/Self-Employed Tax Tips					<i>Total Cost =</i>		
A) Equipment Expensing Election. Up to \$250,000 of qualifying business equipment purchased in 2008 may be expensed currently. (Separate limits apply to business autos and SUVs.)					<i>or Lease Payments =</i>		
B) Business Use of Home Deduction. If an area of the home is used regularly and exclusively for business, a deduction for a portion of mortgage interest, taxes, insurance, other operating costs and depreciation may be allowed. Special rules apply for inventory storage and daycare.					6) Interest Paid on Vehicle		
C) Per Diem Meal Rates. In lieu of using actual expenses incurred for meals and incidental expenses, self-employed individuals and employees may deduct per diem amounts up to IRS-approved rates. The rates depend on location. Provide detailed list of dates and locations of business travel.					7) Parking and Tolls		
D) Auto Loan Interest. Self-employed taxpayers are allowed a deduction for the business portion of auto loan interest. Note: Business portion of auto loan interest for an employee is nondeductible personal interest.					8) Gasoline, Oil, Lubrication		
E) Self-Employed Health Insurance Deduction. The deduction is not allowed for any month that the self-employed individual is eligible to participate in a subsidized health plan maintained by any employer. This rule is applied separately for policies that include long-term care and those that don't.					9) Repairs, Maintenance, Car Washes		
F) Health Savings Accounts (HSAs). Self-employed individuals and employees covered by a high deductible health plan (deductible between \$1,100 and \$5,600 for individual coverage and between \$2,200 and \$11,200 for family coverage) can make deductible contributions to HSAs. For self-only coverage, contributions are limited to \$2,900 (\$3,800 if age 55 or older). For family coverage, contributions are limited to \$5,800 (\$6,700 if age 55 or older). HSA distributions are tax and penalty free if used for qualified medical expenses.					10) Tires and Supplies		
G) Self-Employed Retirement Plans. A variety of retirement plans are available to self-employed business owners. In addition to saving for retirement, contributing to these plans can reduce taxable income. The deadlines for establishing a retirement plan vary depending on the plan selected. Contributions to an established plan usually can be made up to the due date of your tax return, including extensions. If you have employees, matching contributions may be required.					11) Insurance		
					12) Tags and Licenses		
					13) Garage Rent		
					14) Other		
					Questions for All Taxpayers Claiming Vehicle Expenses:		
					1) Do you have evidence to support your deduction?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
					2) If yes, is the evidence written?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
					3) Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
					4) Do you have an employer-provided vehicle that is available for personal use?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
					5) Were you reimbursed for any of above auto expenses?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
					6) If yes, is the reimbursement included in your Form W-2?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
					Recordkeeping: Your vehicle expenses will not be allowed by the IRS without adequate records or sufficient evidence verifying business use. Daily records provide the best protection in case of an audit.		

STEP 9

Education Expenses (Attach Forms 1098-E and 1098-T)

Include information about education expenses incurred for you, your spouse or your dependents.

Student's Name	Education Purpose (degree seeking, job related)	Name of Institution	Type of Expense (tuition, books, fees, student loan interest)	Amount Paid	Paid By Whom?	First two years of college? Yes or No
				\$		

STEP 10

Residence Energy Efficient Property Expenditures

STEP 11

New Home

Did you make any improvements to your principal residence during the year to increase energy efficiency such as solar electric property, fuel cells, solar water heating, geothermal heat pump or small wind energy property?

Complete if you purchased a new home during 2008 (or between 1/1/09 and 6/30/09). Provide closing documents that include cost and date of purchase.

Description of Improvement/Expenditure	Date Placed in Service	Amount	Is this your main home?	Yes ___	No ___
		\$	Did you (or your spouse) own a home during the three-year period ending on the date you purchased the home?	Yes ___	No ___

STEP 12

2008 Estimated Tax Payments¹

	Federal	Date Paid	State	Date Paid	Notes:
Amount applied from 2007 overpayment, if any:	\$		\$		¹ Do not include withholding from Forms W-2 or 1099 in estimated tax payments shown here.
First Quarter					
Second Quarter					
Third Quarter					
Fourth Quarter					

STEP 13

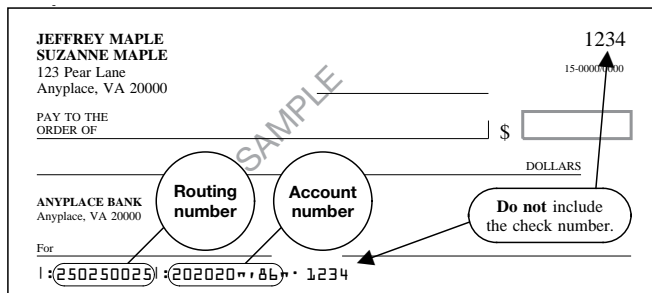
Tax Refund—Direct Deposit Information

If you are expecting a 2008 federal tax refund, the refund can be routed to up to three of your checking or savings accounts. If you prefer a direct deposit, please complete the following information. Otherwise a refund check will be mailed to you at the address on your tax return. (Tax refunds may also be directly deposited to your IRA, Health Savings Account, Archer MSA or Education Savings Account.)

Type of Account (Checking, Savings or IRA)	Routing Number (Nine digits)	Account Number	Percent of Refund

Sample check:

Note: The routing and account numbers may be in different places on your check.



Privacy Policy

We collect nonpublic information about you from the following sources:

- 1) Information we receive from you on applications, tax organizers, worksheets and other forms,
- 2) Information about your transactions with us, our affiliates or others and
- 3) Information we receive from a consumer reporting agency.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as required by law.

We restrict access to nonpublic personal information about you to those members of our firm who need to know that information in order to provide services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

STEP 14 Itemized Deductions (Round all figures to the nearest dollar, and do not add any columns.)

Note: Complete STEP 14 only if you think your total itemized deductions might exceed the IRS standard deduction for your filing status (see below). **Exception:** Regardless of your total itemized deductions, enter real estate taxes paid below.

Interest Paid		Primary Residence	Second Home, Cabin ¹
*First Mortgage Interest	<i>*Provide Forms 1098</i>	\$	\$

2008 Standard Deduction		
Filing Status	Standard Deduction	Add for Blind and/or Over 65
Married Filing Jointly or Widow(er).....	\$ 10,900	+
Single.....	5,450	
Head of Household.....	8,000	
Married Filing Separately.....	5,450	

*Second Mortgage		
*Home Equity/Home Improvement Loan		
Loan Points (Tax Tip 21)		
Points Amortization		
Mortgage Insurance Premiums Paid on Policies Issued After 2006		
Seller-Financed Mortgage <i>List name/address/SSN</i>		

Medical Expenses
Deductible only if net cost exceeds 7.5% of Adjusted Gross Income (AGI)

Note: Do *not* include amounts paid for or reimbursed by insurance or health insurance premiums paid with pre-tax income.

Did you pay medical expenses for a person you cannot claim as a dependent?
 Yes No *If yes, ask your tax preparer.*

Hospitalization and Health Insurance Premiums <i>Include after-tax amounts paid or withheld at work (Tax Tip 18)</i>	See Note Above	\$
Medicare Insurance Premiums Paid (Form SSA-1099)		
Long-Term Care Insurance Premiums (Tax Tip 19)		
Vision Insurance		
Dental Insurance		
Prescribed Drugs and Insulin		
Doctors and Clinics		
Dentists and Orthodontists		
Glasses, Contact Lenses, Eye Exams, Laser Eye Surgery		
Hospitals, Nurses, Ambulance		
Nursing or Long-Term Care Facility		
Medical Transportation (taxi, bus, ambulance, etc.)		
Other (please detail)		
Other (please detail)		

Taxes

State and Local Income Taxes Withheld	\$
State and Local Income Taxes Paid in 2008 for 2008 Tax Year	
State and Local Income Taxes Paid in 2008 for Prior Tax Years	
State and Local Sales Tax Paid for Major Purchases (motor vehicles, boats, airplanes, homes or home building materials, if rate same as general sales tax rate).	
Federal Income Taxes Paid in 2008 for Prior Tax Years <i>Not an itemized deduction for federal but is for some states</i>	
Real Estate Taxes—Homestead (less special assessments)	
Other Real Estate Taxes (second home, cabin, etc.)	
Property Tax Refund	
Special Assessments—Interest Portion Only (Tax Tip 20)	
Personal Property Taxes (auto license tags, etc.)	

Name: _____ SSN: _____
 Address: _____

¹ Interest on a boat or recreation vehicle that has basic living accommodations may be deductible as home mortgage interest.

Donations

Monetary donations must be substantiated by a bank record (such as a cancelled check) or a written receipt from the organization receiving the donation. The written receipt must include the organization's name and the date and amount of the donation.

Use separate sheet if needed. (Tax Tip 22)

<i>Cash, Check or Credit Card</i>	<i>Include payroll deductions</i>
Churches or Synagogues	\$
United Way	
Other:	
Other:	
Other:	
Other:	
Other:	
Out-of-Pocket Expenses for Charitable Work	
<i>Noncash:</i>	
*Fair Market Value of Items Given to Charities <i>If over \$500, provide documentation (Tax Tips 23 and 24)</i>	
If a vehicle, boat or airplane donation over \$500, provide Form 1098-C.	
Charitable Miles _____ Miles @ 14¢ =	
Other	

Miscellaneous *Do Not Duplicate STEP 8*

Deductible only if total exceeds 2% of AGI

Unreimbursed employee business expenses (for example, union dues, tools and supplies, special uniforms and safety equipment, professional dues and subscriptions, job-related education—see Tax Tips 1, 2 and 25). List items on separate sheet. See STEP 8 for automobile expenses and travel and entertainment.	\$
Job-Seeking Expenses in Same Field (Tax Tip 27)	
Travel/Air Fare/Lodging	\$ _____
Meals	\$ _____
Employment Agency Fees.....	\$ _____
Resume \$ _____ Other \$ _____ Total =	
Tax Prep, Financial Planning/Consultation Fees (Tax Tip 28)	
Investment Expenses (Tax Tip 30)	
Phone/Postage/Supplies for Investments.....	\$ _____
Safe Deposit Box.....	\$ _____
Investment Publications and Journals.....	\$ _____
IRA and Keogh Fees You Paid Directly.....	\$ _____
Other \$ _____ Total =	
Gambling Losses <i>Limited to Total Gambling Winnings Listed in Step 3</i>	
Other	
Other	
Other	
Other	

Casualty Loss

Auto Accident, Fire, Theft, Storm, etc. Deductible only if your combined net loss after insurance claim exceeds 10% of AGI, (10% floor doesn't apply to losses from a federally declared disaster). Provide details. (Tax Tip 25)

Tax Tips for All Taxpayers

- 1) A nonrefundable Hope Scholarship tax credit (\$1,800 maximum) available on a per-student, per-year basis for each of the first two years of qualified post-secondary tuition and fees (but not books or room and board). Subject to a phase-out based on adjusted gross income (AGI).

Lifetime learning credit (maximum nonrefundable \$2,000 tax credit) is available for post-secondary educational expenses. Generally, the lifetime learning credit is subject to the same limitations as the Hope scholarship credit with the following exceptions: (1) the credit is per taxpayer per year (does not vary with the number of students in a taxpayer's household); (2) the credit is available for an unlimited number of years and (3) the credit is available for undergraduate, graduate, professional degree and other students acquiring or improving job skills enrolled in one or more courses.
- 2) You can deduct up to \$2,500 of interest on qualified education loans for college or vocational school expenses, even if you do not itemize deductions. Deduction is phased out based on AGI.
- 3) Nondeductible contributions up to \$5,000 (\$6,000 if 50 or older) can be made to a Roth IRA. Distributions, including earnings, are tax free when certain requirements are met. The contribution limit is subject to an AGI-based phase-out.
- 4) An IRA deduction up to \$5,000 (\$6,000 if 50 or older) is available to all taxpayers who are not covered by an employer-sponsored retirement plan. Taxpayers covered by an employer plan may be eligible for a full or partial deduction, depending on their AGI.
- 5) If only one spouse has compensation, a spousal IRA can be set up for the nonworking spouse. Each spouse (working and nonworking) may contribute up to \$5,000 or \$6,000 (if age 50 or older).
- 6) Exceptions apply to the 10% penalty for early withdrawals from an IRA if the funds are used for: (1) medical expenses in excess of 7.5% of AGI, (2) certain qualified educational expenses, (3) a first-time home purchase for distributions of up to \$10,000 or (4) medical insurance for those who are unemployed for at least 12 weeks.
Note: IRA withdrawals are still subject to regular income tax.
- 7) A gain exclusion up to \$250,000 (\$500,000 if married and filing jointly or a surviving spouse under certain conditions) is available for a sale of a principal residence if the taxpayer(s) owned and occupied the residence for two years of the five-year period ending on date of sale.
- 8) Interest on certain Series EE savings bonds issued after 1989 are tax-exempt if proceeds are used for qualified educational expenses of a taxpayer, spouse or dependent, subject to a phase-out.
- 9) Keep receipts supporting tax deductions at least four years.
- 10) Improvement costs may reduce taxable profit upon sale of property. Keep records of improvement costs made to all real property at least four years after the property is sold.
- 11) If "allocated tips" are listed on year-end Form W-2, the amount will be subject to both Social Security and income tax unless records (tip log) verify that a lesser amount was actually received.
- 12) If stock or mutual fund dividends are automatically reinvested instead of received in cash, maintain good records of all reinvested dividends each year. These reinvestments increase cost basis, and reduce gain or increase loss upon sale.
- 13) Child care expense credit allows up to a 35% tax credit on up to \$3,000 of child care costs paid for one dependent or \$6,000 for two or more dependents.
- 14) Taxpayers who attained age 50 prior to January 1, 1986, (born before 1936) and receive a lump-sum distribution from a pension plan or profit-sharing plan may utilize a tax-saving method with 10-year averaging. Ask your tax advisor.

- 15) Taxpayers investing in certain types of passive activities (such as limited partnerships) are limited in the amount of loss they can claim to offset other types of income. However, a taxpayer who actively participates in a rental real estate activity can apply up to \$25,000 in rental losses against other sources of income—subject to a phase-out rule.
- 16) Purchasers of hybrid (gas-electric) and other alternative fueled vehicles are eligible for a tax credit. Ask your tax advisor.
- 17) Taxpayers can exclude \$2 million (\$1 million if MFS) of certain mortgages cancelled because of their financial condition or decline in the home's value. To qualify, the loan must have been to buy or improve the principal residence (or a loan refinancing such loans).

Tax Tips for Taxpayers Itemizing

- 18) Insurance premiums on policies that cover medical costs are deductible. Premiums on disability and loss of income insurance are not deductible.
- 19) Qualified long-term care insurance premiums are deductible subject to age and dollar limits: Age 40 or less, \$310; ages 41 to 50, \$580; ages 51 to 60, \$1,150; ages 61 to 70, \$3,080 and ages 71 and up, \$3,850.
- 20) Special assessments paid on your property are normally not allowed as a current deduction in addition to the real estate tax deduction. But, the interest portion of the special assessments can be deducted as a tax.
- 21) Loan origination fees (points) are deductible as interest by a buyer of a new principal residence. Homebuyers are also allowed to deduct seller-paid points. Points paid on refinancing an existing residence must be deducted over the life of the mortgage.
- 22) Charitable contributions of \$250 or more in any one day to any one organization must have written substantiation from the organization. A bank record, such as a cancelled check is not sufficient.
- 23) When making contributions of used furniture, appliances and clothing to nonprofit organizations, request a receipt from the organization. Attach a record of the items donated to the receipt for proof of this deductible contribution. Contributions must be in good or better condition to be deductible.
- 24) Taxpayers who own appreciated stocks or bonds can take advantage of certain tax-saving methods by donating the securities to churches or other nonprofit organizations.
- 25) If you experienced a casualty loss (flood, fire, theft, etc.) which exceeds 10% of AGI, your tax preparer will explain what information is required to determine your deductible loss, if any. Net casualty losses from a federally declared disaster are not subject to this limitation.
- 26) Expenses incurred for education for improving your skills for your present job or maintaining your job may be deducted. Seminars, tuition, books and some travel expenses can be deducted. Travel as a "form of education" is not deductible. *Example:* French teacher travels to France to maintain general familiarity with the French language and culture—not deductible. However, see Tax Tip 1 for education costs that are deductible even when not job related.
- 27) Job-seeking costs in the same field of employment are deductible. Successful job placement is not necessary.
- 28) Part of a legal fee incurred in a divorce or an estate plan may be deductible if it is for advice on the tax consequences. Have your attorney clearly indicate how much of the fee is for tax advice.
- 29) Expenses incurred for attending conventions, seminars or other meetings that give investment advice to taxpayers are not deductible.
- 30) Investment interest (land, margin account, etc.) is deductible only to the extent of net investment income for the year. Net investment income includes dividends, interest, royalties and short-term capital gains.

Taxpayer: _____

Taxpayer Instructions—Items checked apply to you.

IRA/SEP/SIMPLE/HSA

- IRA amounts deducted on 2008 return: for You \$ _____, for Spouse \$ _____.
All 2008 contributions to IRAs must be made by April 15, 2009. (No Extensions)
- Self-employed retirement plan contributions deducted on 2008 return: for You \$ _____, for Spouse \$ _____.
Contributions must be deposited by due date of the tax return (including Extensions).
- Health Savings Account (HSA) amounts deducted on 2008 return: \$ _____.
All 2008 contributions to HSAs must be made by April 15, 2009. (No Extensions)

Federal Tax Return

- Your federal tax return shows an overpayment of \$ _____. Of this amount, \$ _____ has been applied toward your estimated tax payments for 2009, \$ _____ will be directly deposited to your _____ account, and \$ _____ will be refunded to you.
- You have to pay a balance due of \$ _____. Make check payable to "United States Treasury."
- If checked, you will be billed separately by the IRS for any interest and/or penalty.
- Your return has been filed electronically.
- Mail by _____.

State Tax Return

- Your state tax return shows an overpayment of \$ _____. Of this amount, \$ _____ has been applied toward your estimated tax payments for 2009 and \$ _____ will be refunded to you.
- You have to pay a balance due of \$ _____. Make check payable to _____.
- If checked, you will be billed separately by the state for any interest and/or penalty.
- Your return has been filed electronically.
- Mail by _____.

Estimated Taxes

- You must pay 2009 estimated taxes according to payment schedule provided below.

Other Instructions:

- Returns must be signed before mailing.
- On all checks or payments, enter the year and form number of the return, your Social Security number and a daytime phone number. Federal tax payments can also be made by credit card or via the IRS electronic federal tax payment system (EFTPS)—Call for more information.

2009 Estimated Tax Payments—Instructions and Record of Payments¹

Worksheet

	Federal	State
Estimated Tax Liability for 2009.....	\$ _____	\$ _____
Estimated Tax Withholding from 2009 Wages ²	< _____ >	< _____ >
Amount Credited From 2008 Return	< _____ >	< _____ >
Total Amount to Be Paid in Quarterly Estimates.....	\$ _____	\$ _____

Federal Payment Record³

State Payment Record³

Date Due	Amount	Check Number	Date Sent	Date Due	Amount	Check Number	Date Sent
April 15, 2009	\$ _____			April 15, 2009	\$ _____		
June 15, 2009				June 15, 2009			
September 15, 2009				September 15, 2009			
January 15, 2010				January 15, 2010			

Notes:

- ¹ If your income or deductions change significantly, please contact us so that these estimates can be revised.
- ² If your state or federal tax withholding for the year is less than estimated, your estimated payments may need to be adjusted.
- ³ Use the vouchers supplied by federal and state taxing authorities, if possible.